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**KAZAKHSTAN**

## CASE STUDY

# Shedding Redundant Certification

**Kazakh tourism companies no longer need to undergo a redundant certification.**



One of the 500 travel agencies to benefit from the lifted requirement.

Photo: Pragma

*USAID's Business Environment Improvement project helps the Kazakhstan Tourism Association lift a duplicative certification requirement, thus saving nearly \$0.5 million in costs to these businesses annually.*

### Challenge

Tourism is one of the priority areas in Kazakhstan's economy. This sector, however, was hampered by regulations that required tourism companies, which provide air-travel booking services, to undergo mandatory certification every three years. During this process, each company was required to fund the travel expenses of the certifying agents - a five-day trip from Astana for an average of 3 persons. Businesses spent approximately \$2,500 for such visits, and expended up to 2 months compiling the documents for certification, at an average cost of \$375 in labor. The regulation cost the firms \$475,000 annually and duplicated the voluntary certification the service companies used to access international markets. Kazakh tourism companies, especially in the air-travel sector, already adhere to the standards of their western competitors in service and quality.

### Initiative

The Kazakhstan Tourism Association brought this problem to the attention of USAID, and a joint effort began in 2006 to eliminate this redundant requirement that did not bring any additional value to the industry or the customers. The USAID Business Environment Improvement Project facilitated meetings and roundtable discussions with representatives of the private sector, relevant ministries, and the Committee of Civil Aviation to lobby for the change in certification requirements. As one after another, government agencies saw the rationale in lifting the unnecessary requirement, the USAID project together with the Tourism Association drafted recommendations to change the relevant legislation. Due to continuous efforts by the two partnering entities, in December 2006, these recommendations were adopted by the Parliament, and the constraint on tourism business was eliminated.

### Results

According to the estimates of the Kazakhstan Tourism Association estimates, this change has impacted approximately 500 tourism companies whose main business is to book and sell airway tickets in the country. Elimination of the duplicative certification will save these companies over 57 million Kazakh Tenge (\$475,000) annually. "These savings will be spent on further developing the travel agencies that book and sell tickets, and on improving the travel industry in Kazakhstan," says Ms. R. Shaikenova, Executive Director of the Kazakhstan Tourism Association.